

111TH CONGRESS
2D SESSION

S. 2989

To improve the Small Business Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4, 2010

Ms. LANDRIEU (for herself and Ms. SNOWE) introduced the following bill;
which was read twice and referred to the Committee on Small Business
and Entrepreneurship

A BILL

To improve the Small Business Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Con-
5 tracting Revitalization Act of 2010”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Definitions.

TITLE I—CONTRACT BUNDLING

Sec. 101. Leadership and oversight.

Sec. 102. Consolidation of contract requirements.

Sec. 103. Small business teams pilot program.

TITLE II—SUBCONTRACTING INTEGRITY

- Sec. 201. GAO recommendations on subcontracting misrepresentations.
 Sec. 202. Small business subcontracting improvements.

TITLE III—ACQUISITION PROCESS

- Sec. 301. Reservation of prime contract awards for small businesses.
 Sec. 302. Micro-purchase guidelines.
 Sec. 303. Agency accountability.
 Sec. 304. Payment of subcontractors.
 Sec. 305. Repeal of Small Business Competitiveness Demonstration Program.

TITLE IV—SMALL BUSINESS SIZE AND STATUS INTEGRITY

- Sec. 401. Policy and presumptions.
 Sec. 402. Annual certification.
 Sec. 403. Training for contracting and enforcement personnel.
 Sec. 404. Updated size standards.
 Sec. 405. Study and report on the mentor-protege program.

1 **SEC. 3. DEFINITIONS.**

2 In this Act—

3 (1) the terms “Administration” and “Adminis-
 4 trator” mean the Small Business Administration
 5 and the Administrator thereof, respectively; and

6 (2) the term “small business concern” has the
 7 meaning given that term under section 3 of the
 8 Small Business Act (15 U.S.C. 632).

9 **TITLE I—CONTRACT BUNDLING**10 **SEC. 101. LEADERSHIP AND OVERSIGHT.**

11 (a) IN GENERAL.—Section 15 of the Small Business
 12 Act (15 U.S.C. 644) is amended by adding at the end the
 13 following:

14 “(q) BUNDLING ACCOUNTABILITY MEASURES.—

15 “(1) TEAMING REQUIREMENTS.—Each Federal
 16 agency shall include in each solicitation for any con-

1 tract award above the substantial bundling threshold
2 of the Federal agency a provision soliciting bids by
3 teams and joint ventures of small business concerns.

4 “(2) AGENCY POLICIES ON REDUCTION OF CON-
5 TRACT BUNDLING.—The head of each Federal agen-
6 cy shall—

7 “(A) not later than 180 days after the date
8 of enactment of this subsection, publish on the
9 website of the Federal agency the policy of the
10 Federal agency regarding contracting bundling
11 and consolidation, including regarding the solie-
12 itation of teaming and joint ventures under
13 paragraph (1); and

14 “(B) not later than 30 days after the date
15 on which the head of the Federal agency sub-
16 mits data certifications to the Administrator for
17 Federal Procurement Policy, publish on the
18 website of the Federal agency a list and ration-
19 ale for any bundled contract for which the Fed-
20 eral agency solicited bids or that was awarded
21 by the Federal agency.

22 “(3) REPORTING.—Not later than 90 days after
23 the date of enactment of this subsection, and every
24 3 years thereafter, the Director of Small and Dis-
25 advantaged Business Utilization for each Federal

1 agency shall submit to the Committee on Small
2 Business and Entrepreneurship of the Senate and
3 the Committee on Small Business of the House of
4 Representatives a report regarding procurement cen-
5 ter representatives and commercial market rep-
6 resentatives, which shall—

7 “(A) identify each area for which the Fed-
8 eral agency has assigned a procurement center
9 representative or a commercial market rep-
10 resentative;

11 “(B) explain why the Federal agency se-
12 lected the areas identified under subparagraph
13 (A); and

14 “(C) describe the activities performed by
15 procurement center representatives and com-
16 mercial market representatives.”.

17 (b) TECHNICAL CORRECTION.—Section 15(g) of the
18 Small Business Act (15 U.S.C. 644(g)) is amended by
19 striking “Administrator of the Office of Federal Procure-
20 ment Policy” each place it appears and inserting “Admin-
21 istrator for Federal Procurement Policy”.

22 (c) REPORT.—

23 (1) IN GENERAL.—Not later than 180 days
24 after the date of enactment of this Act, the Comp-
25 troller General of the United States shall submit to

1 Congress a report regarding the procurement center
2 representative program of the Administration.

3 (2) CONTENTS.—The report submitted under
4 paragraph (1) shall—

5 (A) address ways to improve the effective-
6 ness of the procurement center representative
7 program in helping small business concerns ob-
8 tain Federal contracts;

9 (B) evaluate the effectiveness of procure-
10 ment center representatives and commercial
11 marketing representatives; and

12 (C) include recommendations, if any, on
13 how to improve the procurement center rep-
14 resentative program.

15 (d) ELECTRONIC PROCUREMENT CENTER REP-
16 RESENTATIVE.—Not later than 180 days after the date
17 of enactment of this Act, the Administrator shall imple-
18 ment an electronic procurement center representative pro-
19 gram.

20 **SEC. 102. CONSOLIDATION OF CONTRACT REQUIREMENTS.**

21 The Small Business Act (15 U.S.C. 631 et seq.) is
22 amended—

23 (1) by redesignating section 44 as section 45;
24 and

25 (2) by inserting after section 43 the following:

1 **“SEC. 44. CONSOLIDATION OF CONTRACT REQUIREMENTS.**

2 “(a) DEFINITIONS.—In this section—

3 “(1) the term ‘Chief Acquisition Officer’ means
4 the employee of a Federal agency designated as the
5 Chief Acquisition Officer for the Federal agency
6 under section 16(a) of the Office of Federal Pro-
7 curement Policy Act (41 U.S.C. 414(a));

8 “(2) the term ‘consolidation of contract require-
9 ments’, with respect to contract requirements of a
10 Federal agency, means a use of a solicitation to ob-
11 tain offers for a single contract or a multiple award
12 contract to satisfy 2 or more requirements of the
13 Federal agency for goods or services that have been,
14 are being, or will be provided to, or will be per-
15 formed for or would typically be performed for, the
16 Federal agency under 2 or more separate contracts
17 lower in cost than the total cost of the contract for
18 which the offers are solicited;

19 “(3) the term ‘Federal agency’ does not include
20 the Department of Defense or any agency of the De-
21 partment of Defense;

22 “(4) the term ‘multiple award contract’
23 means—

24 “(A) a multiple award task order contract
25 or delivery order contract that is entered into
26 under the authority of sections 303H through

1 303K of the Federal Property and Administra-
 2 tive Services Act of 1949 (41 U.S.C. 253h
 3 through 253k); and

4 “(B) any other indefinite delivery, indefi-
 5 nite quantity contract that is entered into by
 6 the head of a Federal agency with 2 or more
 7 sources pursuant to the same solicitation; and

8 “(5) the term ‘senior procurement executive’
 9 means an official designated under section 16(c) of
 10 the Office of Federal Procurement Policy Act (41
 11 U.S.C. 414(c)) as the senior procurement executive
 12 for a Federal agency.

13 “(b) POLICY.—The head of each Federal agency shall
 14 ensure that the decisions made by the Federal agency re-
 15 garding consolidation of contract requirements of the Fed-
 16 eral agency are made with a view to providing small busi-
 17 ness concerns with appropriate opportunities to partici-
 18 pate as prime contractors and subcontractors in the pro-
 19 curements of the Federal agency.

20 “(c) LIMITATION ON USE OF ACQUISITION STRATE-
 21 GIES INVOLVING CONSOLIDATION.—

22 “(1) IN GENERAL.—The head of a Federal
 23 agency may not carry out an acquisition strategy
 24 that includes a consolidation of contract require-
 25 ments of the Federal agency with a total value of

1 more than \$2,000,000, unless the senior procure-
2 ment executive or Chief Acquisition Officer for the
3 Federal agency, before carrying out the acquisition
4 strategy—

5 “(A) conducts market research;

6 “(B) identifies any alternative contracting
7 approaches that would involve a lesser degree of
8 consolidation of contract requirements; and

9 “(C) determines that the consolidation of
10 contract requirements is necessary and justi-
11 fied.

12 “(2) DETERMINATION THAT CONSOLIDATION IS
13 NECESSARY AND JUSTIFIED.—

14 “(A) IN GENERAL.—A senior procurement
15 executive or Chief Acquisition Officer may de-
16 termine that an acquisition strategy involving a
17 consolidation of contract requirements is nec-
18 essary and justified for the purposes of para-
19 graph (1)(C) if the benefits of the acquisition
20 strategy substantially exceed the benefits of
21 each of the possible alternative contracting ap-
22 proaches identified under paragraph (1)(B).

23 “(B) SAVINGS IN ADMINISTRATIVE OR
24 PERSONNEL COSTS.—For purposes of subpara-
25 graph (A), savings in administrative or per-

sonnel costs alone do not constitute a sufficient justification for a consolidation of contract requirements in a procurement unless the expected total amount of the cost savings, as determined by the senior procurement executive or Chief Acquisition Officer, is substantial in relation to the total cost of the procurement.

“(3) BENEFITS TO BE CONSIDERED.—The benefits considered for the purposes of paragraphs (1) and (2) may include cost and, regardless of whether quantifiable in dollar amounts—

“(A) quality;

“(B) acquisition cycle;

“(C) terms and conditions; and

“(D) any other benefit.”.

SEC. 103. SMALL BUSINESS TEAMS PILOT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term “Center” means the Center for Small Business Teaming established under subsection (b); and

(2) the term “eligible organization” means a well-established national organization for small business concerns with the capacity to provide assistance to small business concerns (which may be provided with the assistance of the Center) relating to—

- 1 (A) customer relations and outreach;
- 2 (B) submitting bids and proposals;
- 3 (C) team relations and outreach; and
- 4 (D) performance measurement and quality
- 5 assurance.

6 (b) ESTABLISHMENT.—The Administrator shall es-
7 tablish a Center for Small Business Teaming within the
8 Administration to carry out a pilot program for teaming
9 and joint ventures involving small business concerns.

10 (c) GRANTS.—The Center may make grants to eligi-
11 ble organizations to assemble teams of small business con-
12 cerns to compete for larger procurement contracts.

13 (d) CONTRACTING OPPORTUNITIES.—

14 (1) IN GENERAL.—The Center shall work with
15 eligible organizations receiving a grant under this
16 section to identify appropriate contracting opportu-
17 nities for teams or joint ventures of small business
18 concerns.

19 (2) RESTRICTED COMPETITION.—A contracting
20 officer of a Federal agency may restrict competition
21 for any contract for the procurement of goods or
22 services by the Federal agency to teams or joint ven-
23 tures of small business concerns if determined ap-
24 propriate by the contracting officer.

1 (e) TERMINATION.—The authorities under this sec-
 2 tion shall terminate 5 years after the date of enactment
 3 of this Act.

4 (f) AUTHORIZATION OF APPROPRIATIONS.—There
 5 are authorized to be appropriated for grants by the Center
 6 under subsection (c) \$5,000,000 for each of fiscal years
 7 2010 through 2015.

8 **TITLE II—SUBCONTRACTING** 9 **INTEGRITY**

10 **SEC. 201. GAO RECOMMENDATIONS ON SUBCONTRACTING** 11 **MISREPRESENTATIONS.**

12 Section 8 of the Small Business Act (15 U.S.C. 637)
 13 is amended by adding at the end the following:

14 “(o) PREVENTION OF MISREPRESENTATIONS IN
 15 SUBCONTRACTING; IMPLEMENTATION OF RECOMMENDA-
 16 TIONS OF COMPTROLLER GENERAL.—

17 “(1) STATEMENT OF POLICY.—It is the policy
 18 of Congress that the recommendations of the Comp-
 19 troller General of the United States in Report No.
 20 05–459, concerning oversight improvements nec-
 21 essary to ensure maximum practicable participation
 22 by small business concerns in subcontracting, shall
 23 be implemented Government-wide, to the maximum
 24 extent possible.

1 “(2) CONTRACTOR COMPLIANCE.—Compliance
 2 of Federal prime contractors with subcontracting
 3 plans relating to small business concerns shall be
 4 evaluated as a percentage of obligated prime con-
 5 tract dollars and as a percentage of subcontracts
 6 awarded.

7 “(3) ISSUANCE OF AGENCY POLICIES.—Not
 8 later than 180 days after the date of enactment of
 9 this subsection, the head of each Federal agency
 10 shall issue a policy on subcontracting compliance re-
 11 lating to small business concerns, including assign-
 12 ment of compliance responsibilities between con-
 13 tracting offices, small business offices, and program
 14 offices and periodic oversight and review activities.”.

15 **SEC. 202. SMALL BUSINESS SUBCONTRACTING IMPROVE-**
 16 **MENTS.**

17 Section 8(d)(6) of the Small Business Act (15 U.S.C.
 18 637(d)(6)) is amended—

19 (1) in subparagraph (E), by striking “and” at
 20 the end;

21 (2) in subparagraph (F), by striking the period
 22 at the end and inserting “; and”; and

23 (3) by adding at the end, the following:

24 “(G) a certification that the offeror or bid-
 25 der will acquire articles, equipment, supplies,

1 services, or materials, or obtain the perform-
 2 ance of construction work from the small busi-
 3 ness concerns used in preparing and submitting
 4 to the contracting agency the bid or proposal,
 5 in the same amount and quality used in pre-
 6 paring and submitting the bid or proposal, un-
 7 less the small business concerns are no longer
 8 in business or can no longer meet the quality,
 9 quantity, or delivery date.”.

10 **TITLE III—ACQUISITION** 11 **PROCESS**

12 **SEC. 301. RESERVATION OF PRIME CONTRACT AWARDS** 13 **FOR SMALL BUSINESSES.**

14 Section 15 of the Small Business Act (15 U.S.C.
 15 644), as amended by this Act, is amended by adding at
 16 the end the following:

17 “(r) GOVERNMENT-WIDE ACQUISITION CON-
 18 TRACTS.—Not later than 180 days after the date of enact-
 19 ment of this subsection, the Administrator for Federal
 20 Procurement Policy and the Administrator shall jointly,
 21 by regulation, establish criteria for Federal agencies for—

22 “(1) setting aside part or parts of a multiple
 23 award contract (as defined in section 44), Federal
 24 supply schedule contracts, and other Government-
 25 wide acquisition contracts for small business con-

cerns, including the subcategories of small business concerns identified in subsection (g)(2);

“(2) setting aside orders placed against multiple award contracts, Federal supply schedule contracts, and other Government-wide acquisition contracts for small business concerns, including the subcategories of small business concerns identified in subsection (g)(2); and

“(3) reserving 1 or more contract awards for small business concerns under full and open multiple award procurements, including the subcategories of small business concerns identified in subsection (g)(2).”.

SEC. 302. MICRO-PURCHASE GUIDELINES.

Not later than 1 year after the date of enactment of this Act, the Controller of the Office of Federal Financial Management shall issue guidelines regarding the analysis of purchase card expenditures to identify opportunities for achieving and accurately measuring fair participation of small business concerns in purchases in an amount not in excess of the micro-purchase threshold, as defined in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428) (in this section referred to as “micro-purchases”), consistent with the national policy on small business participation in Federal procurements set forth

1 in sections 2(a) and 15(g) of the Small Business Act (15
 2 U.S.C. 631(a) and 644(g)), and dissemination of best
 3 practices for participation of small business concerns in
 4 micro-purchases.

5 **SEC. 303. AGENCY ACCOUNTABILITY.**

6 Section 15(g)(2) of the Small Business Act (15
 7 U.S.C. 644(g)(2)) is amended—

8 (1) by inserting “(A)” after “(2)”;

9 (2) by striking “Goals established” and insert-
 10 ing the following:

11 “(B) Goals established”;

12 (3) by striking “Whenever” and inserting the
 13 following:

14 “(C) Whenever”;

15 (4) by striking “For the purpose of” and insert-
 16 ing the following:

17 “(D) For the purpose of”;

18 (5) by striking “The head of each Federal
 19 agency, in attempting to attain such participation”
 20 and inserting the following:

21 “(E) The head of each Federal agency, in attempting
 22 to attain the participation described in subparagraph
 23 (D)”.

24 (6) in subparagraph (E), as so designated—

1 (A) by striking “(A) contracts” and insert-
 2 ing “(i) contracts”; and

3 (B) by striking “(B) contracts” and insert-
 4 ing “(ii) contracts”; and

5 (7) by adding at the end the following:

6 “(F)(i) Each procurement employee or program man-
 7 ager described in clause (ii)—

8 “(I) shall communicate to the subordinates of
 9 the procurement employee or program manager the
 10 importance of achieving small business goals; and

11 “(II) shall have as a significant factor in the
 12 annual performance evaluation of the procurement
 13 employee or program manager, where appropriate,
 14 the success of that procurement employee or pro-
 15 gram manager in small business utilization, in ac-
 16 cordance with the goals established under this sub-
 17 section.

18 “(ii) A procurement employee or program manager
 19 described in this clause is a senior procurement executive,
 20 senior program manager, or Director of Small and Dis-
 21 advantaged Business Utilization of a Federal agency hav-
 22 ing contracting authority.”.

23 **SEC. 304. PAYMENT OF SUBCONTRACTORS.**

24 Section 8(d) of the Small Business Act (15 U.S.C.
 25 637(d)) is amended by adding at the end the following:

1 “(11) PAYMENT OF SUBCONTRACTORS.—

2 “(A) DEFINITION.—In this paragraph, the term
3 ‘covered contract’ means a contract relating to which
4 a prime contractor is required to develop a subcon-
5 tracting plan under paragraph (4) or (5).

6 “(B) NOTICE.—

7 “(i) IN GENERAL.—A prime contractor for
8 a covered contract shall notify in writing the
9 contracting officer for the covered contract if
10 the prime contractor pays a reduced price to a
11 subcontractor for goods and services upon com-
12 pletion of the responsibilities of the subcon-
13 tractor or the payment to a subcontractor is
14 more than 90 days past due for goods or serv-
15 ices provided for the covered contract for
16 which—

17 “(I) the Federal agency has paid the
18 prime contractor; or

19 “(II) the prime contractor has sub-
20 mitted a request for payment to the Fed-
21 eral agency.

22 “(ii) CONTENTS.—A prime contractor shall
23 include the reason for the reduction in a pay-
24 ment to or failure to pay a subcontractor in any
25 notice made under clause (i).

1 “(iii) PUBLIC AVAILABILITY.—The head of
 2 each Federal agency shall, after redacting infor-
 3 mation identifying any subcontractor, make
 4 publicly available any notice made under clause
 5 (i).

6 “(C) PERFORMANCE.—A contracting officer for
 7 a covered contract shall consider the failure by a
 8 prime contractor to make a full or timely payment
 9 to a subcontractor in evaluating the performance of
 10 the prime contractor.

11 “(D) CONTROL OF FUNDS.—A contracting offi-
 12 cer for a covered contract may restrict the authority
 13 of a prime contractor that has a history of untimely
 14 payment of subcontractors (as determined by the
 15 contracting officer) to make expenditures under or
 16 control payment of subcontractors for a covered con-
 17 tract.”.

18 **SEC. 305. REPEAL OF SMALL BUSINESS COMPETITIVENESS**

19 **DEMONSTRATION PROGRAM.**

20 (a) IN GENERAL.—The Business Opportunity Devel-
 21 opment Reform Act of 1988 (Public Law 100–656) is
 22 amended by striking title VII (15 U.S.C. 644 note).

23 (b) EFFECTIVE DATE AND APPLICABILITY.—The
 24 amendment made by this section—

1 (1) shall take effect on the date of enactment
2 of this Act; and

3 (2) apply to the first full fiscal year after the
4 date of enactment of this Act.

5 **TITLE IV—SMALL BUSINESS SIZE** 6 **AND STATUS INTEGRITY**

7 **SEC. 401. POLICY AND PRESUMPTIONS.**

8 Section 3 of the Small Business Act (15 U.S.C. 632)
9 is amended by adding at the end the following:

10 “(t) PRESUMPTION.—

11 “(1) IN GENERAL.—In every contract, sub-
12 contract, cooperative agreement, cooperative re-
13 search and development agreement, or grant which
14 is set aside, reserved, or otherwise classified as in-
15 tended for award to small business concerns, there
16 shall be a presumption of loss to the United States
17 based on the total amount expended on the contract,
18 subcontract, cooperative agreement, cooperative re-
19 search and development agreement, or grant when-
20 ever it is established that a business concern other
21 than a small business concern willfully sought and
22 received the award by misrepresentation.

23 “(2) DEEMED CERTIFICATIONS.—The following
24 actions shall be deemed affirmative, willful, and in-

1 tentional certifications of small business size and
2 status:

3 “(A) Submission of a bid or proposal for a
4 Federal grant, contract, subcontract, coopera-
5 tive agreement, or cooperative research and de-
6 velopment agreement reserved, set aside, or oth-
7 erwise classified as intended for award to small
8 business concerns.

9 “(B) Submission of a bid or proposal for
10 a Federal grant, contract, subcontract, coopera-
11 tive agreement, or cooperative research and de-
12 velopment agreement which in any way encour-
13 ages a Federal agency to classify the bid or pro-
14 posal, if awarded, as an award to a small busi-
15 ness concern.

16 “(C) Registration on any Federal elec-
17 tronic database for the purpose of being consid-
18 ered for award of a Federal grant, contract,
19 subcontract, cooperative agreement, or coopera-
20 tive research agreement, as a small business
21 concern.

22 “(3) CERTIFICATION BY SIGNATURE OF RE-
23 SPONSIBLE OFFICIAL.—

24 “(A) IN GENERAL.—Each solicitation, bid,
25 or application for a Federal contract, sub-

1 contract, or grant shall contain a certification
 2 concerning the small business size and status of
 3 a business concern seeking the Federal con-
 4 tract, subcontract, or grant.

5 “(B) CONTENT OF CERTIFICATIONS.—A
 6 certification that a business concern qualifies as
 7 a small business concern of the exact size and
 8 status claimed by the business concern for pur-
 9 poses of bidding on a Federal contract or sub-
 10 contract, or applying for a Federal grant, shall
 11 contain the signature of a director, officer, or
 12 counsel on the same page on which the certifi-
 13 cation is contained.

14 “(4) REGULATIONS.—The Administrator shall
 15 promulgate regulations to provide adequate protec-
 16 tions to individuals and business concerns from li-
 17 ability under this subsection in cases of uninten-
 18 tional errors, technical malfunctions, and other simi-
 19 lar situations.”.

20 **SEC. 402. ANNUAL CERTIFICATION.**

21 Section 3 of the Small Business Act (15 U.S.C. 632),
 22 as amended by this Act, is amended by adding at the end
 23 the following:

24 “(u) ANNUAL CERTIFICATION.—

1 “(1) IN GENERAL.—Each business certified as
2 a small business concern under this Act shall annu-
3 ally certify its small business size and, if appro-
4 priate, its small business status, by means of a con-
5 firming entry on the ORCA database of the Admin-
6 istration, or any successor thereto.

7 “(2) REGULATIONS.—Not later than 1 year
8 after the date of enactment of this subsection, the
9 Administrator, in consultation with the Inspector
10 General and the Chief Counsel for Advocacy of the
11 Administration, shall promulgate regulations to en-
12 sure that—

13 “(A) no business concern continues to be
14 certified as a small business concern on the
15 ORCA database of the Administration, or any
16 successor thereto, without fulfilling the require-
17 ments for annual certification under this sub-
18 section; and

19 “(B) the requirements of this subsection
20 are implemented in a manner presenting the
21 least possible regulatory burden on small busi-
22 ness concerns.

23 “(3) DETERMINATION OF SIZE STATUS.—The
24 small business size or status of a business concern

1 shall be determined at the time of the award of a
 2 Federal—

3 “(A) contract, except that, in the case of
 4 interagency multiple award contracts (as de-
 5 fined in section 44), small business size or sta-
 6 tus shall be determined annually, except for
 7 purposes of the award of each task or delivery
 8 order set aside or reserved for small business
 9 concerns;

10 “(B) subcontract;

11 “(C) grant;

12 “(D) cooperative agreement; or

13 “(E) cooperative research and development
 14 agreement.”.

15 **SEC. 403. TRAINING FOR CONTRACTING AND ENFORCE-**
 16 **MENT PERSONNEL.**

17 (a) IN GENERAL.—Not later than 1 year after the
 18 date of enactment of this Act, the Federal Acquisition In-
 19 stitute, in consultation with the Administrator for Federal
 20 Procurement Policy, shall develop courses concerning
 21 proper classification of business concerns and small busi-
 22 ness size and status for purposes of Federal contracts,
 23 subcontracts, grants, cooperative agreements, and cooper-
 24 ative research and development agreements.

1 (b) POLICY ON PROSECUTIONS OF SMALL BUSINESS
 2 SIZE AND STATUS FRAUD.—Section 3 of the Small Busi-
 3 ness Act (15 U.S.C. 632), as amended by this Act, is
 4 amended by adding at the end the following:

5 “(v) POLICY ON PROSECUTIONS OF SMALL BUSINESS
 6 SIZE AND STATUS FRAUD.—Not later than 1 year after
 7 the date of enactment of this subsection, the head of each
 8 relevant Federal agency and the Inspector General of the
 9 Administration shall issue a Government-wide policy on
 10 prosecution of small business size and status fraud.”.

11 **SEC. 404. UPDATED SIZE STANDARDS.**

12 Not later than 1 year after the date of enactment
 13 of this Act, and every 5 years thereafter, the Adminis-
 14 trator shall—

15 (1) conduct a detailed review of the size stand-
 16 ards for small business concerns established under
 17 section 3(a)(2) of the Small Business Act (15 U.S.C.
 18 632(a)(2));

19 (2) make appropriate adjustments to size stand-
 20 ards under that section to reflect market conditions;
 21 and

22 (3) make publically available information re-
 23 garding—

24 (A) the factors evaluated as part of the re-
 25 view conducted under paragraph (1); and

1 (B) the criteria used for any revised size
2 standards promulgated under paragraph (2).

3 **SEC. 405. STUDY AND REPORT ON THE MENTOR-PROTEGE**
4 **PROGRAM.**

5 (a) IN GENERAL.—The Comptroller General of the
6 United States shall conduct a study of the mentor-protege
7 program of the Administration for small business concerns
8 participating in programs under section 8(a) of the Small
9 Business Act (15 U.S.C. 637(a)), and other relationships
10 and strategic alliances pairing a larger business and a
11 small business concern partner to gain access to Federal
12 Government contracts, to determine whether the programs
13 and relationships are effectively supporting the goal of in-
14 creasing the participation of small business concerns in
15 Government contracting.

16 (b) MATTERS TO BE STUDIED.—The study con-
17 ducted under this section shall include—

18 (1) a review of a broad cross-section of indus-
19 tries; and

20 (2) an evaluation of—

21 (A) how each Federal agency carrying out
22 a program described in subsection (a) admin-
23 isters and monitors the program;

24 (B) whether there are systems in place to
25 ensure that the mentor-protege relationship, or

1 similar affiliation, promotes real gain to the
2 protege, and is not just a mechanism to enable
3 participants that would not otherwise qualify
4 under section 8(a) of the Small Business Act
5 (15 U.S.C. 637(a)) to receive contracts under
6 that section; and

7 (C) the degree to which protege businesses
8 become able to compete for Federal contracts
9 without the assistance of a mentor.

10 (c) REPORT TO CONGRESS.—Not later than 180 days
11 after the date of enactment of this Act, the Comptroller
12 General shall submit to the Committee on Small Business
13 and Entrepreneurship of the Senate and the Committee
14 on Small Business of the House of Representatives a re-
15 port on the results of the study conducted under this sec-
16 tion.

○